



Rod R. Blagojevich, Governor
Barry S. Maram, Director

Illinois Department of Public Aid

201 South Grand Avenue East
Springfield, Illinois 62763-0001

Telephone: (217) 782-5565
TTY: (800) 526-5812

October 21, 2003

INFORMATIONAL NOTICE

TO: Enrolled Hospitals: Chief Executive Officers, Chief Financial Officers, and Patient Accounts Managers

RE: Disproportionate Share (DSH) Adjustment Payments and Medicaid Percentage Adjustment (MPA) Payments for Managed Care Organization (MCO) Enrollee Claims

=====

The department has revised the process by which disproportionate share (DSH) adjustments and Medicaid percentage adjustments (MPA) will be reimbursed to eligible hospitals for Managed Care Organization (MCO) enrollees' claims.

Effective for dates of service on or after August 1, 2003, the department will pay DSH adjustments directly to eligible hospitals for Medical Assistance participants enrolled in department-contracted MCOs. MCOs are not responsible for reimbursing DSH adjustments for their MCO enrollees to eligible hospitals for dates of service occurring on or after August 1, 2003.

In addition, effective for dates of service on or after October 1, 2003, the department will pay MPA to eligible hospitals for MCO enrollees' claims. MCOs are not responsible for reimbursing MPA to eligible hospitals for **any** dates of service for their MCO enrollees.

The department will initiate the DSH and MPA payments with receipt of encounter claim data submitted to the department by the MCO. A hospital cannot submit a claim for an MCO enrollee directly to the department to receive DSH and MPA payment. All eligible hospitals will begin to receive their DSH and MPA payments for encounter claims once department system changes are completed.

Questions related to payment changes should be directed to the Bureau of Rate Development and Analysis at 217-785-0710. Questions related to submission of encounter data should be directed to the MCO responsible for the MCO enrollee.

Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs